

28 DEC 1978

MEMORANDUM FOR: Deputy Director for Operations

FROM: Thomas B. Yale  
Director of Finance

SUBJECT: Location of B&F Offices within DDO Divisions

REFERENCE: Memorandum for DDO fr. A/DDA, dtd 12 June 1978,  
Subject: Administrative Conference (copy attached)

1. This memorandum suggests that you consider the merits of moving the B&F offices from the Support Staffs into the Plans and Programs Staffs of the DDO Divisions.

2. You may recall that prior to the Administrative Conference last March   which was to be attended by DDO Support Chiefs, you suggested a number of ideas for consideration at the conference including:

"Split of the B&F shops with the budget functions reporting to the Area Plans and Programs Staffs, leaving the finance function in the Area Division under a Chief of Support."

3. The reference response to that topic indicated such a move would tend to detract from the purpose for which the Plans and Programs Staffs were originally established. In my view that conclusion reflects a basic lack of understanding of the substantive aspects of the budget function and of the interdependency of the budgeting and the planning and programming functions. I believe a transfer of the total B&F function from the Support Staffs to the Plans and Programs Staffs would streamline and increase the effectiveness of overall operations of the DDO Divisions and could result in potential position reductions in the larger Divisions.

4. I envision the advantages to such a transfer to be as follows:

(a) Provide a closer interface between the substantive expertise of plans and programs personnel in program formulation, management and evaluation with the substantive expertise of finance professionals in budget formulation and execution. These two groups of personnel could be expected to inter-relate the work required to formulate and execute budgets with greater efficiency and effectiveness for each of the groups. It would provide the DDO

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careerists with an improved opportunity to understand the potential and flexibility of the Agency financial system for capturing and producing data in a variety of formats tailored to the interests of the user. It would provide the finance professionals with a more in-depth understanding of and appreciation for division programs as a basis for providing more substantive inputs into the budget formulation process. Of perhaps still greater importance, more substantive knowledge of programs would permit the finance personnel to contribute more effectively to budgetary discussions with operating personnel at Headquarters and at field stations, either through correspondence or on the occasion of their annual field review visits; such knowledge will also permit better reviews of accountings from field stations and from case officers at Headquarters.

(b) Provide the same organizational pattern at the Division level as at the Directorate level, thus simplifying communications between the Directorate and Division Staffs.

(c) Enhance the perception and to a degree the reality of independence of Finance Certifying Officers by removing them from the administrative jurisdiction of the approving officer who is responsible for the entire range of administrative expense reimbursement entitlements of division personnel. These are especially important points since real independence is vital to the role of the Certifying Officer in assuring the integrity of financial operations. Independence is at best a relative term and tends to be sensitive to working relationships, hence the concern about the Certifying Officer being under the direct supervision of a major approving officer. The perception of independence can be self-reinforcing under appropriate conditions and vice versa under less favorable conditions. The matter of the reality of independence of Certifying Officers who are under the supervision of an approving officer for relatively large volumes of transactions caught the attention of staff members of the investigating committees. They concluded without making any formal recommendation that the degree of independence was perhaps less than we like to think it is.

(d) Place the Chief, B&F Officer in each division in an improved position to better serve the Division Chief and the Chief, Plans and Programs Staff for whom he or she works. The relationships should be analagous to the relationships between the DDO, the Chief, Evaluation and Program

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Design Staff, and the DPO Comptroller.

5. Under the proposed transfer the B&F office would continue to provide assistance to Division personnel in terms of advice and counsel on travel and other finance related entitlements.

6. It is for the foregoing reasons that I advocate moving the B&F offices into the Division Plans and Programs Staffs. I will be pleased to have an opportunity to meet with you for a more in-depth discussion of the merits of this proposal if you wish.

(signed) Thomas B. Yale

Thomas B. Yale

Att.

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O-Dir/OF [redacted] :sc (21 Dec 1978)

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